

BLANK ROME LLP
Attorneys for Defendant
PRECIOUS CITIES, LTD.
405 Lexington Avenue
New York, NY 10174
(212) 885-5000
Thomas H. Belknap, Jr. (TB-3188)
Brian S. Tretter (BT-6037)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MITTAL STEEL NORTH AMERICA.,

Plaintiff,

-against-

M/V “FONTHIDA NAREE, her engines,
boilers, etc., WESTERN BULK SHIPPING ASA,
WESTERN BULK CARRIERS HOLDING ASA,
WESTERN BULK CARRIERS AS, and
PRECIOUS CITIES, LTD.,
Defendants.

07 Civ. 10587 (DLC)

ECF Case

ANSWER TO COMPLAINT
WITH CROSS CLAIM

Defendant PRECIOUS CITIES, LTD. (“PCL” or “Defendant”), by its attorneys Blank Rome LLP, as and for its answer to the Verified Complaint of MITTAL STEEL NORTH AMERICA (“Plaintiff”) dated November 26, 2007, alleges as follows:

1. Admits.
2. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Verified Complaint.
3. Admits that it was at all material times the owner of the M.V. “FONTHIDA NAREE,” and states that PCL’s address is 8/27-28, 7th Floor, Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand, but except as admitted denies knowledge or

information sufficient to form a belief as to the allegations contained in paragraph 3 of the Verified Complaint.

4. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 4 of the Verified Complaint.

5. Denies the allegations contained in paragraph 5 of the Verified Complaint.

6. Denies the allegations contained in paragraph 6 of the Verified Complaint.

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 7 of the Verified Complaint.

8. Denies the allegations contained in paragraph 8 of the Verified Complaint.

9. Denies the allegations contained in paragraph 9 of the Verified Complaint.

FIRST AFFIRMATIVE DEFENSE

10. The Verified Complaint fails to state a claim or cause of action against PCL.

SECOND AFFIRMATIVE DEFENSE

11. The Court lacks personal jurisdiction over PCL.

THIRD AFFIRMATIVE DEFENSE

12. This is an inconvenient forum for the trial of this action and the matter should be dismissed pursuant to the doctrine of *forum non conveniens*.

FOURTH AFFIRMATIVE DEFENSE

13. Venue is improper in this district.

FIFTH AFFIRMATIVE DEFENSE

14. Plaintiff is not the real party in interest and lacks standing to bring this claim.

SIXTH AFFIRMATIVE DEFENSE

15. PCL is entitled to any and all defenses contained in the United States Carriage of Goods by Sea Act, 46 U.S.C. §30701, *et seq.*, and/or the applicable bill(s) of lading and/or

contract(s) of carriage and/or any other applicable contract, statute or tariff.

SEVENTH AFFIRMATIVE DEFENSE

16. If any loss or damage occurred to the cargo in respect of which Plaintiff sues, which is denied, such loss or damages was caused by the pre-existing condition or inherent defects of the goods and/or the action of others, including, but not limited to the Plaintiff, its agents, for whose actions PCL is not responsible.

EIGHTH AFFIRMATIVE DEFENSE

17. Plaintiff's claim is time barred and/or barred by the doctrine of laches.

NINTH AFFIRMATIVE DEFENSE

18. Plaintiff failed to mitigate its damages.

TENTH AFFIRMATIVE DEFENSE

19. To the extent that Plaintiff's claim is subject to arbitration, PCL hereby reserves its right to arbitrate.

**AS AND FOR A CROSS CLAIM
AGAINST WESTERN BULK DEFENDANTS**

20. PCL repeats and realleges each and every admission, denial, denial of knowledge or information and affirmative defense contained in paragraphs 1 through 19 as if set forth herein in full. PCL's affirmative defenses are hereby reserved in all respects, and nothing contained in this cross claim shall in any way be construed as a waiver of any such defense.

21. If any damage or loss was caused to the cargo in respect of which plaintiff sues, which is denied, said damage is due to the sole fault, act, omission, neglect, breach of contract and/or breach of warranty by all and/or some of the co-defendants WESTERN BULK SHIPPING ASA, WESTERN BULK CARRIERS HOLDING ASA, WESTERN BULK CARRIERS AS (collectively the "Western Bulk Defendants"), their employees, agents, officers,

and/or directors and not due to any fault, act, omission, neglect, breach of contract or breach of warranty on behalf of PCL, or any party for whose actions PCL is responsible, and Plaintiff should have judgment solely against the Western Bulk Defendants and not against PCL.

22. If PCL is found to have any liability to Plaintiff, which is denied, it is entitled to full indemnity and/or contribution from the Western Bulk Defendants for all amounts which PCL is required to pay Plaintiff in respect of such liability and also for its attorneys' fees and costs incurred in defending this action.

23. PCL reserves all of its rights and remedies under the relevant time charter for the M/V "M/V FONTHIDA NAREE" dated February 6, 2004.

24. To the extent that this cross-claim is subject to arbitration, PCL hereby reserves its right to arbitrate.

WHEREFORE, Defendant PCL prays that the Court:

- a. Dismiss the Verified Complaint herein against it;
- b. Grant Defendant's Cross Claim; and
- c. Grant such other and further relief as may be just or equitable.

Dated: New York, New York
February 12, 2008

Respectfully Submitted,

BLANK ROME LLP

/s/

Thomas H. Belknap, Jr. (TB-3188)
Brian S. Tretter (BT-6037)
Attorneys for Defendant
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New York, New York 10174
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